

## Policy Brief:

### Field-based PES activities in the Mae Sa-Kog Ma Man and Biosphere Reserve

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The USAID-funded Lowering Emissions in Asia's Forests (LEAF) program aims to strengthen capacities of developing countries in the Asia-Pacific to produce meaningful and sustainable reductions in greenhouse gas emissions from the forestry land-use sector and to participate in and benefit from the emerging international Reduced Emissions from Deforestation and Degradation (REDD)-plus framework.

LEAF also focuses on policy and market incentives for improved forest management and land-use planning, develops innovative field demonstration activities, and strengthens regional mechanisms for sharing lessons learned and scaling up innovation.

Thailand is in the early stages of the REDD+ preparation process. Although the country has not clearly expressed any commitment to join in the multi-lateral treaty, the Department of National Park, Wildlife and Plant Conservation (DNP), the designated agency, did submit R-Pin in 2009 and plans to submit the R-PP by the end of 2012.

LEAF has supported integrating ecological and economic concepts into forest ecological system management planning and the assessment of ecosystem services values. At the same time, DNP has also expressed its interest in engaging in the Payments for Ecosystem Services (PES) program which could be a direct approach for environmental conservation or integrated into future REDD+ activities. DNP therefore proposed to implement the field programs in the United Nations Educational, Scientific and Cultural Organization (UNESCO) Man and Biosphere (MAB) Reserves in Chiang Mai, Lumpang, Ranong and Nakhon Ratchasima Provinces.

The first PES field activities were launched in the Mae Sa-Kog Ma MAB Reserve (hereinafter the "Reserve") which is under the responsibility of the Administrative Office for Conserving Areas 16, Chiang Mai Province. The area is located in northern Thailand with the total area of about 427 km<sup>2</sup>. Over half of the Reserve area overlays a large portion of three national parks including Suthep-Pui, Khun Kan and Ob Kan, and four national reserved forests: Doi Suthep, Samoeng, Mae Kan-Mae Wang and Tha Chang-Mae Kanin. Thai and Hmong ethnic groups represent the dominant population in the Reserve. In addition to a rich diversity of flora and fauna, the Reserve is of hydrological importance. It encompasses the watershed of the Sa River, a tributary of Ping River, which has been a major water source for Chiang Mai City. When united with the Wang, Yom and Nan Rivers, they form the Chaophraya watershed, the principal source of water supply for central Thailand.

### Problems / obstacles and challenges on implementation of PES project

- No legal support to the rights of the local people to utilize and manage resources (referred to as “services” in the PES program) including the assessment of the value of the services and the payment rate and system.
- Difficulties in identifying the services, providers and users due to the unclear land rights among land users who have no title document to utilize and manage lands inside the Reserve.
- No measures to stimulate the awareness of the beneficiaries or the users to return the payments for environmental services.
- Inadequate regulatory framework for governing PES transactions, as institutional regimes increase uncertainty, risk and transaction costs among buyers and sellers.

### Field-based PES activities in the interim

In light of these challenges, concrete steps to implement the field-based PES project in the interim are proposed:

- To prioritize and identify the land users who have clear and secure rights in land, such as those households with title deeds inside the Reserve, as PES providers to avoid tenure conflicts in the future.
- To adjust the payment system in the areas of the Reserve where land rights of local communities are unclear, by identifying DNP/RFD as a PES subcontractor to the local communities who perform land management activities.
- To facilitate funding, demand for the PES at a field-based scale should be identified, principally from a variety of sources from the public and private sectors. The financial support received should also be channeled to create supportive legal framework and institutional capacity for PES.
- To clearly specify the basic regulatory guidelines governing the field-based project: annual workplan, reporting and verification procedures, performance indicators, terms, type and timing of payment, and a monitoring system including the project working areas.
- To form the PES support team comprising of (1) experts to provide technical support and to monitor the performance on ecosystem services and (2) groups of institutions or communities’ representatives accepted by all stakeholders in the project areas. A memorandum of agreement between the project implementers and the support team should be made to ensure the continual processes during the project procedure.
- To support research studies related to assessment of economic values on ecosystem services and as well to provide academic knowledges on the outcomes of the field-based project in order to stimulate awareness and motivation for future regulation of policies to support the payment system in long term period.

### Enabling legal framework for long-term implementation

To create an enabling legal framework for successful and long-term PES implementation in the Reserve, policy options for legislative reforms include:

- The issuing of the title deed should be expedited to enhance tenure security for land users with eligible title documents. This effort should be focused at the local level with strong collaboration from the local Royal Forestry Department, Department of National Parks, Wildlife and Plant Conservation and Land Offices.
- Introducing policies and measures which stimulate private demand, e.g. environmental impact regulations, awareness-raising program for business benefits of PES investment and provision of scientific evidences linking PES activities and improved ecosystem services, notably from the monitored performance of the field project.

- Specific national PES legislation should be enacted to establish rights in ecosystem services and in payments for them, to recognize PES as a legitimate instrument, and to create regulatory framework needed for PES transactions, funding sources and payment distribution, as well as institutional framework with sufficient institutional coordination and technical and human resources.

## Conclusion

The field-based PES activities in the Mae Sa-Kog Ma MAB Reserve have been launched in early 2012 and are planned through January 2016. During the beginning period, the main task is to build up understanding and awareness on participation and responsibilities to the ecosystems' utilization and compensation. Each sector has its own roles and duties from local communities and local organizations to relevant government and private sectors. Strengthening capacities for more concrete knowledge, understanding and confidence in payment of ecosystem services to local people, community leaders, forest officers and other government officers and private sectors in the project areas, including the projects officers, will enhance the project's success. However, the formulation of methods and systems and related legislation on land rights and land ownership as well as PES rules and regulations for sellers and buyers, both on providing services and payments, are under consideration of the policy makers and formulation of the legislations.

Problems, obstacles, failures and successes of the field-based PES activities in Mae Sa-Kog Ma may not directly affect the ecosystem but would provide good lessons for forthcoming projects in other areas to improve implementation. However, it would be valuable for the communities to learn and realize the importance of their participation in the sustainability of the ecosystem, and most of all the sharing of giving and receiving. Moreover, the stimulation at the policy level to consider and regulate the related laws and legislations to support payments for ecosystem services would enable the management system legally and effectively not only in Thailand but around the region.

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